

**CITY OF BISMARCK EMPLOYEES PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF MAY 31, 2004**

	May-04				April-04				March-04				December-03				September-03				Current Fiscal YTD	Prior Year FY03	3 Years Ended 6/30/2003 Net	5 Years Ended 6/30/2003 Net
	Allocation		Month	Net ROR	Allocation		Month	Net ROR	Allocation		Quarter	Net ROR	Allocation		Quarter	Net ROR	Net ROR	Net ROR						
	Market Value	Actual			Policy	Market Value			Actual	Policy			Market Value	Actual					Policy	Market Value				
LARGE CAP DOMESTIC EQUITY																								
Structured Growth																								
LA Capital	1,334,499	5.1%	5.1%	1.61%	1,313,590	5.1%	5.1%	-0.83%	1,314,980	5.0%	5.1%	-0.35%	1,301,336	5.1%	5.1%	9.09%	1,191,943	5.0%	5.1%	N/A	N/A	N/A	N/A	
AllianceBernstein	-	0.0%	0.0%	N/A	0	0.0%	0.0%	N/A	0	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	-1.48%	-20.46%	-5.64%
Total Structured Growth	1,334,499	5.1%	5.1%	1.61%	1,313,590	5.1%	5.1%	-0.83%	1,314,980	5.0%	5.1%	-0.35%	1,301,336	5.1%	5.1%	9.09%	1,191,943	5.0%	5.1%	6.61%	16.79%	-1.48%	-20.46%	-5.64%
Russell 1000 Growth				1.86%				-1.16%				0.79%				10.41%				3.92%	16.42%	2.93%	-21.55%	-5.04%
Structured Value																								
LSV	1,375,922	5.3%	5.1%	0.51%	1,368,359	5.3%	5.1%	-2.29%	1,416,574	5.4%	5.1%	6.04%	1,435,504	5.6%	5.1%	15.58%	1,244,918	5.3%	5.1%	3.33%	24.37%	-2.05%	9.06%	3.95%
Russell 1000 Value				1.02%				-2.44%				3.03%				14.19%				2.06%	18.33%	-1.02%	-2.19%	-0.17%
Enhanced Russell 1000 Index																								
LA Capital	1,371,583	5.3%	5.1%	1.50%	1,351,828	5.2%	5.1%	-1.67%	1,386,759	5.3%	5.1%	1.58%	1,346,823	5.3%	5.1%	11.77%	1,204,786	5.1%	5.1%	2.87%	16.57%	1.08%	N/A	N/A
Russell 1000				1.44%				-1.81%				1.90%				12.26%				3.00%	17.37%	0.96%	N/A	N/A
Enhanced S&P 500 Index																								
Northern Trust	1,319,486	5.1%	5.1%	1.27%	1,302,703	5.0%	5.1%	-1.60%	1,315,307	5.0%	5.1%	1.81%	1,274,614	5.0%	5.1%	12.40%	1,133,812	4.8%	5.1%	2.50%	16.88%	0.28%	N/A	N/A
Strong	1,358,038	5.2%	5.1%	1.01%	1,342,029	5.2%	5.1%	-1.82%	1,367,605	5.2%	5.1%	2.68%	1,314,213	5.1%	5.1%	12.76%	1,165,628	4.9%	5.1%	2.89%	18.14%	3.30%	N/A	N/A
Westridge	1,438,581	5.5%	5.1%	1.39%	1,418,503	5.5%	5.1%	-1.56%	1,431,885	5.4%	5.1%	1.73%	1,388,718	5.4%	5.1%	12.22%	1,237,505	5.2%	5.1%	2.65%	16.96%	0.56%	N/A	N/A
Total Enhanced S&P 500 Index	4,116,106	15.9%	15.4%	1.22%	4,063,234	15.7%	15.4%	-1.63%	4,114,797	15.6%	15.4%	2.07%	3,977,544	15.5%	15.4%	12.46%	3,536,945	15.0%	15.4%	2.68%	17.32%	1.35%	N/A	N/A
S&P 500				1.37%				-1.57%				1.69%				12.18%				2.64%	16.84%	0.24%	N/A	N/A
S&P 500 Index																								
State Street	917,150	3.5%	3.4%	1.37%	904,716	3.5%	3.4%	-1.56%	928,834	3.5%	3.4%	1.68%	901,315	3.5%	3.4%	12.16%	803,500	3.4%	3.4%	2.64%	16.81%	0.31%	-11.14%	-1.58%
S&P 500				1.37%				-1.57%				1.69%				12.18%				2.64%	16.84%	0.24%	-11.20%	-1.61%
TOTAL LARGE CAP DOMESTIC EQUITY	9,115,259	35.1%	34.3%	1.23%	9,001,728	34.8%	34.3%	-1.23%	9,161,943	34.7%	34.3%	2.20%	8,962,522	35.0%	34.3%	12.31%	7,982,093	33.8%	34.3%	3.02%	17.75%	0.49%	-9.68%	-2.32%
S&P 500				1.37%				-1.57%				1.69%				12.18%				2.64%	16.84%	0.24%	-11.20%	-1.61%
SMALL CAP DOMESTIC EQUITY																								
Manager-of-Managers																								
SEI	2,825,784	10.9%	10.7%	1.07%	2,797,143	10.8%	10.7%	-5.01%	3,010,442	11.4%	10.7%	6.62%	3,090,430	12.1%	10.7%	14.87%	2,778,741	11.8%	10.7%	9.68%	28.98%	0.68%	N/A	N/A
Russell 2000 + 200bp				1.76%				-4.93%				6.78%				15.07%				9.60%	30.28%	0.37%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	2,825,784	10.9%	10.7%	1.07%	2,797,143	10.8%	10.7%	-5.01%	3,010,442	11.4%	10.7%	6.62%	3,090,430	12.1%	10.7%	14.87%	2,778,741	11.8%	10.7%	9.68%	28.98%	0.68%	-3.37%	-0.65%
Russell 2000				1.59%				-5.10%				6.26%				14.52%				9.07%	27.97%	-1.64%	-3.30%	0.97%
INTERNATIONAL EQUITY																								
Large Cap - Core																								
State Street	159,112	0.6%	0.6%	-0.93%	162,159	0.6%	0.6%	-0.92%	163,637	0.6%	0.6%	4.40%	175,626	0.7%	0.6%	14.32%	153,377	0.6%	0.6%	6.08%	24.27%	-9.96%	-13.28%	-4.72%
MSCI EAFE - 50% Hedged				-0.57%				-0.53%				4.09%				13.15%				6.58%	24.15%	-11.24%	-14.65%	-4.18%
Large Cap - Active																								
Capital Guardian	397,825	1.5%	1.5%	-0.99%	406,043	1.6%	1.5%	-0.46%	407,624	1.5%	1.5%	3.06%	424,358	1.7%	1.5%	13.62%	373,033	1.6%	1.5%	7.45%	23.99%	-11.30%	-14.96%	0.47%
Bank of Ireland	79,851	0.3%	0.3%	0.31%	80,519	0.3%	0.3%	-0.98%	81,116	0.3%	0.3%	1.56%	83,456	0.3%	0.3%	17.43%	70,979	0.3%	0.3%	2.64%	21.59%	-10.28%	N/A	N/A
Total Large Cap - Active	477,676	1.8%	1.8%	-0.77%	486,562	1.9%	1.8%	-0.55%	488,740	1.9%	1.8%	2.81%	507,814	2.0%	1.8%	14.22%	444,012	1.9%	1.8%	6.65%	23.59%	-11.12%	-14.58%	0.74%
MSCI EAFE - 50% Hedged				-0.57%				-0.53%				4.09%				13.15%				6.58%	24.15%	-11.24%	-14.65%	-4.18%
Small Cap - Active																								
Lazard	83,336	0.3%	0.3%	0.35%	83,875	0.3%	0.3%	-0.36%	84,182	0.3%	0.3%	9.25%	84,270	0.3%	0.3%	14.41%	81,332	0.3%	0.3%	10.66%	38.30%	-2.32%	N/A	N/A
Wellington	81,897	0.3%	0.3%	-2.57%	86,969	0.3%	0.3%	-1.17%	87,954	0.3%	0.3%	9.31%	84,117	0.3%	0.3%	11.59%	85,327	0.4%	0.3%	17.22%	37.66%	5.97%	N/A	N/A
Total Small Cap - Active	165,233	0.6%	0.6%	-1.14%	170,844	0.7%	0.6%	-0.78%	172,136	0.7%	0.6%	9.28%	168,388	0.7%	0.6%	12.90%	166,659	0.7%	0.6%	13.94%	37.90%	1.75%	N/A	N/A
Citigroup Broad Market Index < \$2BN				-1.40%				-3.20%				12.80%				13.31%				15.95%	41.45%	3.91%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	802,021	3.1%	3.0%	-0.88%	819,565	3.2%	3.0%	-0.67%	824,513	3.1%	3.0%	4.43%	851,828	3.3%	3.0%	13.97%	764,048	3.2%	3.0%	8.04%	26.60%	-8.22%	-12.63%	-0.99%
MSCI EAFE - 50% Hedged				-0.57%				-0.53%				4.09%				13.15%				6.58%	24.15%	-11.24%	-14.65%	-4.18%
EMERGING MARKETS EQUITY																								
Capital Guardian	360,731	1.4%	1.5%	-2.99%	416,890	1.6%	1.5%	-7.32%	449,815	1.7%	1.5%	9.14%	412,167	1.6%	1.5%	14.85%	419,608	1.8%	1.5%	14.62%	29.17%	7.15%	-10.61%	1.62%
MSCI Emerging Markets Free				-1.97%				-8.18%				9.71%				17.81%				14.23%	32.89%	6.96%	-7.07%	2.49%
DOMESTIC FIXED INCOME																								
Core Bond																								
Western Asset	1,371,198	5.3%	5.1%	-0.20%	1,379,675	5.3%	5.1%	-2.29%	1,410,514	5.3%	5.2%	2.82%	1,251,964	4.9%	5.2%	1.24%	1,205,418	5.1%	5.1%	-0.47%	1.04%	13.42%	11.88%	8.58%
Lehman Aggregate				-0.40%				-2.60%				2.66%				0.32%				-0.15%	-0.24%	10.39%	10.07%	7.54%
Active Duration																								
WestAM (Criterion)	1,351,498	5.2%	5.1%	-0.52%	1,218,200	4.7%	5.1%	-2.42%	1,248,199	4.7%	5.2%	2.44%	1,227,167	4.8%	5.2%	0.31%	1,191,442	5.0%	5.1%	-0.40%	-0.64%	9.93%	9.39%	6.85%
Lehman Aggregate				-0.40%				-2.60%				2.66%				0.32%				-0.15%	-0.24%	10.39%	10.07%	7.54%
Index																								
Bank of ND	2,120,100	8.2%	8.9%	-0.60%	2,142,760	8.3%	8.9%	-3.06%	2,210,312	8.4%	8.9%	3.09%	1,928,770	7.5%	8.9%	-0.10%	1,914,207	8.1%	8.8%	-0.73%	-1.51%	12.59%	11.06%	7.79%
Bank of ND Match Loan CD Program	279,843	1.1%	1.1%	0.43%	278,656	1.1%	1.1%	0.41%	277,506	1.1%	1.1%	0.87%	293,367	1.1%	1.1%	1.41%	292,841	1.2%	1.2%	1.43%	4.63%	5.83%	5.84%	5.85%
Total Index	2,399,944	9.2%	10.0%	-0.40%	2,421,416	9.4%	10.0%	-2.40%	2,487,819	9.4%	10.0%	2.61%	2,222,137	8.7%	10.0%	0.23%	2,207,047	9.3%	10.0%	-0.21%	-0.24%	10.77%	10.08%	7.44%
Lehman Gov/Credit				-0.51%				-3.07%				3.08%				-0.03%				-0.50%	-1.12%	13.15%	10.82%	7.83%

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	May-04				April-04				March-04				December-03				September-03				Current	Prior Year	3 Years	5 Years
	Allocation		Month	Net ROR	Allocation		Month	Net ROR	Allocation		Quarter	Net ROR	Allocation		Quarter	Net ROR	Net ROR	Net ROR	Net ROR	Net ROR	Net	Net		
	Market Value	Actual	Policy		Market Value	Actual	Policy		Market Value	Actual	Policy		Market Value	Actual	Policy								Market Value	Actual
Convertibles																								
TCW	1,361,168	5.2%	5.1%	1.37%	1,350,905	5.2%	5.1%	-2.25%	1,380,170	5.2%	5.2%	2.53%	1,355,798	5.3%	5.2%	10.00%	1,226,445	5.2%	5.1%	1.84%	13.81%	10.37%	-9.08%	N/A
First Boston Convertible Index				0.64%				-1.93%				3.60%				8.54%				2.67%	13.94%	15.35%	-3.81%	N/A
BBB Average Quality																								
Strong	1,306,758	5.0%	5.1%	-0.87%	1,323,936	5.1%	5.1%	-3.28%	1,368,317	5.2%	5.2%	3.37%	1,240,072	4.8%	5.2%	1.47%	1,216,038	5.1%	5.1%	0.16%	0.72%	14.81%	10.35%	N/A
Lehman BBB				-0.81%				-3.22%				3.41%				1.22%				0.27%	0.76%	18.33%	9.91%	N/A
Timberland																								
Evergreen (Wachovia)	2,465,054	9.5%	9.5%	-0.05%	2,476,638	9.6%	9.6%	1.80%	2,431,667	9.2%	9.2%	1.96%	2,398,946	9.4%	9.4%	6.11%	2,246,346	9.5%	9.5%	-0.15%	9.91%	12.50%	N/A	N/A
																						N/A	N/A	
TOTAL DOMESTIC FIXED INCOME	10,255,620	39.5%	40.0%	-0.09%	10,170,769	39.3%	40.0%	-1.47%	10,326,685	39.1%	40.0%	2.62%	9,696,085	37.9%	40.0%	3.16%	9,292,738	39.3%	40.0%	0.11%	4.32%	11.62%	6.95%	6.77%
Lehman Aggregate				-0.40%				-2.60%				2.66%				0.32%				-0.15%	-0.24%	10.39%	10.07%	7.54%
HIGH YIELD BONDS																								
Western Asset	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	862,244	3.3%	3.5%	1.39%	850,501	3.3%	3.5%	5.54%	805,871	3.4%	3.5%	1.99%	N/A	20.04%	2.51%	4.15%
Lehman High Yield Bond Index				N/A				N/A				2.34%				5.91%				2.77%	N/A	22.77%	5.44%	2.66%
Loomis Sayles	440,680	1.7%	1.8%	-2.30%	450,860	1.7%	1.8%	-2.39%	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Lehman High Yield Cash Pay Index				-1.73%				-0.44%													N/A	N/A	N/A	N/A
Sutter/Wells Capital	455,491	1.8%	1.8%	-0.92%	459,652	1.8%	1.8%	-0.62%	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Merrill Lynch High Yield Master II Index				-1.57%				-0.66%													N/A	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS	896,171	3.5%	3.5%	-1.60%	910,512	3.5%	3.5%	-1.51%	862,244	3.3%	3.5%	1.39%	850,501	3.3%	3.5%	5.54%	805,871	3.4%	3.5%	1.99%	5.76%	20.04%	2.51%	4.15%
Lehman High Yield Bond Index				-1.69%				-0.68%				2.34%				5.91%				2.77%	8.77%	22.77%	5.44%	2.66%
INTERNATIONAL FIXED INCOME																								
International Sovereign																								
UBS Global (Brinson)	250,498	1.0%	1.0%	1.66%	248,244	1.0%	1.0%	1.66%	259,699	1.0%	1.0%	1.43%	256,037	1.0%	1.0%	6.49%	224,105	0.9%	1.0%	3.18%	15.18%	18.20%	8.47%	5.93%
Citigroup Non-US Gov't Bond Index (1)				1.07%				-4.56%				1.57%				6.71%				2.75%	7.41%	17.91%	8.10%	6.29%
International Core																								
Brandywine	261,324	1.0%	1.0%	1.46%	257,233	1.0%	1.0%	-2.35%	263,514	1.0%	1.0%	1.75%	258,957	1.0%	1.0%	7.30%	219,329	0.9%	1.0%	1.51%	9.81%	N/A	N/A	N/A
Lehman Global Aggregate (ex-US)				1.13%				-4.40%				-0.93%				6.77%				2.76%	5.09%	N/A	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	511,821	2.0%	2.0%	1.56%	505,477	2.0%	2.0%	-0.34%	523,214	2.0%	2.0%	1.60%	514,994	2.0%	2.0%	6.91%	443,434	1.9%	2.0%	2.34%	12.51%	17.83%	8.36%	5.86%
Citigroup Non-US Gov't Bond Index (1)				1.07%				-4.56%				1.57%				6.71%				2.75%	7.41%	17.91%	8.10%	6.29%
REAL ESTATE																								
J.P. Morgan	712,566	2.7%	3.0%	1.45%	702,414	2.7%	3.0%	0.35%	699,976	2.7%	3.0%	1.95%	686,612	2.7%	3.0%	3.16%	665,609	2.8%	3.0%	2.43%	9.65%	7.80%	7.36%	10.23%
NCREIF TOTAL INDEX				0.85%				0.85%				2.56%				2.76%				1.97%	9.29%	7.64%	8.51%	10.16%
ALTERNATIVE INVESTMENTS																								
Coral Partners V	27,747			0.00%	30,045			0.00%	40,468			0.00%	44,417			-1.26%	40,837			-6.88%	-8.05%	-22.52%	-20.83%	-9.87%
Coral Partners V - Supplemental	2,484			0.00%	2,690			0.00%	2,897			66.55%	2,210			-0.95%	2,124			-15.67%	39.12%	-28.36%	N/A	N/A
Coral Partners VI	14,078			0.00%	15,244			0.00%	15,632			-5.08%	6,657			-4.63%	6,647			-12.18%	-20.50%	N/A	N/A	N/A
Brinson 1998 Partnership Fund	6,703			0.00%	7,258			0.00%	7,328			4.04%	7,567			2.36%	7,453			4.07%	10.84%	-14.73%	-11.35%	1.31%
Brinson 1999 Partnership Fund	9,821			0.00%	9,547			0.00%	9,640			5.59%	10,152			4.99%	9,208			0.98%	11.94%	-16.31%	-14.42%	N/A
Brinson 2000 Partnership Fund	18,282			0.00%	16,528			0.00%	16,689			3.85%	17,264			2.47%	14,805			0.67%	7.13%	-13.99%	-9.08%	N/A
Brinson 2001 Partnership Fund	7,431			0.00%	6,262			0.00%	6,323			3.95%	5,291			-1.11%	5,095			0.43%	3.24%	-5.98%	N/A	N/A
Brinson 2002 Partnership Fund	4,221			0.00%	4,570			0.00%	4,615			1.28%	3,578			-1.16%	3,448			12.21%	12.32%	9.08%	N/A	N/A
Brinson 2003 Partnership Fund	609			0.00%	660			0.00%	666			2.18%	350			-0.24%	334			-3.58%	-1.71%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	5,016			0.00%	4,927			0.00%	4,975			10.02%	4,858			5.58%	5,042			6.32%	23.50%	13.12%	2.21%	N/A
Brinson 2000 Non-US Partnership Fund	6,062			0.00%	6,563			0.00%	6,627			8.72%	6,549			0.52%	6,204			2.82%	12.37%	9.50%	-1.63%	N/A
Brinson 2001 Non-US Partnership Fund	3,851			0.00%	4,169			0.00%	4,210			6.10%	3,600			1.18%	3,388			7.50%	15.40%	-0.41%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	5,605			0.00%	6,069			0.00%	6,128			8.66%	5,453			0.96%	4,688			3.71%	13.77%	5.34%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	1,439			0.00%	855			0.00%	863			-0.37%	931			0.05%	305			-0.05%	-0.37%	N/A	N/A	N/A
Brinson 2004 Non-US Partnership Fund	268			0.00%	290			0.00%	-			N/A	-			N/A	-			N/A	N/A	N/A	N/A	N/A
Brinson BVCF IV	28,310			0.00%	30,654			0.00%	26,559			14.62%	24,893			-3.67%	24,608			-1.02%	9.29%	-14.64%	-18.80%	N/A
Matlin Patterson Global Opportunities	40,506			0.00%	45,601			0.00%	52,312			0.47%	58,307			10.99%	50,027			0.00%	11.50%	N/A	N/A	N/A
InvestAmerica	5,800			0.00%	6,280			0.00%	6,341			-7.73%	7,383			0.00%	7,031			0.00%	-7.73%	-12.50%	N/A	N/A
Hearthstone MSII	5,406			0.00%	5,854			0.00%	3,231			0.00%	8,376			15.36%	9,503			5.06%	21.20%	28.98%	13.57%	N/A
Hearthstone MSIII	25,795			0.00%	17,506			0.00%	17,641			-0.85%	21,170			0.00%	1,187			N/A	N/A	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	219,432	0.8%	1.0%	0.00%	221,573	0.9%	1.0%	0.00%	233,145	0.9%	1.0%	3.28%	239,005	0.9%	1.0%	3.15%	201,935	0.9%	1.0%	-1.01%	5.46%	-9.78%	-11.48%	-6.74%
CASH EQUIVALENTS																								
Northern Trust STIF/STEP	259,639	1.0%	1.0%	0.10%	301,192	1.2%	1.0%	0.13%	289,948	1.1%	1.0%	0.36%	300,652	1.2%	1.0%	0.32%	290,597	1.2%	1.0%	0.35%	1.27%	1.84%	3.33%	4.22%
90 Day T-Bill				0.09%				0.08%				0.24%				0.26%				0.25%	0.91%	1.52%	3.33%	4.07%
TOTAL FUND	25,959,043	100.0%	100.0%	0.45%	25,847,263	100.0%	100.0%	-1.91%	26,381,925	100.0%	100.0%	3.06%	25,604,796	100.0%	100.0%	8.24%	23,644,673	100.0%	100.0%	2.91%	13.11%	6.14%	-0.87%	2.85%
POLICY TARGET BENCHMARK				0.42%				-2.35%				2.81%				6.89%				2.47%	10.43%	5.65%	-0.08%	3.59%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.